



Commerce Subcabinet

Guidance Collaboration Action

April 30, 2020

2:00pm – 3:00pm

Via teleconference 1-505-705-1352, PIN: 393 417 382#

Attendees:

Cabinet Members:

Kelly Schulz, Secretary, Department of Commerce, Chair

Ken Holt, Secretary, Maryland Department of Housing and Community Development (DHCD)

Jimmy Rhee, Special Secretary, Governor's Office of Small Minority and Women Business Affairs (GOSBA)

Tiffany Robinson, Secretary, Department of Labor

Ben Grumbles, Secretary, Department of Environment (MDE)

Greg Slater, Secretary, Department of Transportation (MDOT)

Robert McCord, Secretary, Department of Planning (MDP)

Jim Fielder, Secretary, Maryland Higher Education Commission (MHEC)

Michael Higgs, Director of Assessments & Taxation (SDAT)

Jeannie Haddaway-Riccio, Secretary, Maryland Department of Natural Resources (DNR)

Joe Bartenfelder, Secretary, Department of Agriculture (MDA)

Wendi Peters, Special Secretary, Smart Growth

Guests:

Meredith Wimbrow, Office of the Governor

Hannah Shaeffer, Governor's Office of Intergovernmental Affairs (GOIA)

Ryan Snow, GOIA

Gretchen Hardman, GOIA

Deputy Secretary Horacio Tablada MDE

Deputy Secretary Earl Lewis MDOT

Deputy Secretary Julie Oberg, MDA

Allison Cordell, Governor's Office of Performance Improvement (GOPI)

Kendrick Gordon, Governor's Office of Rural Broadband

Kory Boone, SDAT

Mike Pantelides, Labor

Ann Gunning, Labor

Victor Clark, Labor

Janice Walker-Emeogo, Labor

Todd Scott, DHCD

Marcie Castaneda, DHCD

Joe Griffiths, MDP

Roger Campos, DHCD

Carrie Cook, DNR

Commerce Staff:

Julie Woepke

Kyle McColgan

Jayson Knott

Sarah Sheppard
Brigitte Peters
Andrew Sargent
Wade Hearle

I. Call to Order

Secretary Schulz called the meeting to order at 2:05pm.

II. Review and approval of February 13, 2020 Minutes

Upon a motion duly made and seconded, the minutes of the February 13, 2020 meeting were approved.

III. Chair Update

Secretary Schulz began her presentation by describing the Department's steps in rapid response to businesses impacted by the COVID-19 pandemic: communication/outreach; funding; marketing; and recovery. Secretary Schulz described the rapid collaboration with SDAT to create a COVID-19 business portal on the Maryland Business Express website to provide up to date information, resources and assistance for businesses and individuals. She reported an email account was created to direct inquiries and provide assistance in collaboration with 20+ State Agencies. She described a multitude of outreaches, briefings, social media campaigns and interviews conducted to communicate assistance and progress of programs to keep businesses, legislators, economic development partners, and the public informed.

Secretary Schulz described the funding programs launched to support small businesses. The programs included the \$75M Relief Loan Fund, a program for for-profit businesses with 50 or fewer employees; the \$50M Relief Grant Fund, a program for businesses and non-profits with 50 or less employees; the \$5M Personal Protection Equipment (PPE) Manufacturers Fund; and the \$1M Maryland State Arts Council (MSAC) Emergency Grants. She noted over 150 volunteers from multiple State Agencies supported the processing of applications.

Secretary Schulz continued her presentation by describing the ongoing work of the marketing team to build the grant and loan online applications, frequently asked questions (FAQs), messaging of Maryland businesses conducting COVID-19 related work, and the repositioning of Department activities to business assistance. She stated while the Open for Business Campaign is on hold, a few print ad placements were retained. She added that all Trade Shows and Special Events have been canceled or rescheduled to the fall. Secretary Schulz then highlighted a Maryland Unites video prepared by the Department reflecting the responsiveness of Marylanders to the pandemic.

Secretary Schulz reported on the 13 Industry and two (2) non-profit and faith-based Recovery Task Forces. The Task Forces were organized to provide input and recommendations on the phased business reopening in accordance with the Governor's Maryland Strong: Roadmap to Recovery. She concluded by addressing business development activity by stating that while many pipeline projects are on hold, there several new opportunities and expansions planned. (Presentation on file.)

IV. COVID-19 Updates

Labor Secretary Tiffany Robinson reported that 390,000 individuals have applied for unemployment insurance since March 9th – more than all of 2019. She stated that individuals are still having trouble filing partly because of the volume of applications. In response, the Department is launching tutorials, FAQs, a social media campaign and a Resource Document. She thanked Secretaries Holt and Slater for assistance with the added communications assistance. She then responded to inquiries related to

employer/employee requirements once an employee is to return to work. She concluded by stating she would share the Resource Document so that all Agencies would have consistent information.

DNR Secretary Jeannie Haddaway-Riccio addressed the Subcabinet by describing the adjustments made in each of the four (4) areas of the Department – Land Resources, Natural Resources Police, Enterprise Services, and Aquatic Resources. She stated that revenue losses due to no park entrance fees, reduction in licensing and no overnight camping. She reported the Department has been very supportive of the timber industry and in collaboration with the Department of Agriculture, assisting the seafood, aquaculture and restaurant industries. She concluded by stating the Department has conducted 1,300 compliance checks, given 30 day extensions, is processing licenses and permit by mail rather than in person and there mains uncertainty regarding scheduled equestrian events.

MDOT Secretary Greg Slater reported on the increase of truck traffic due to increased needs by the supply chain; mass transit sanitation improvements and route changes; Welcome Centers remain open; and cashless tolling has been a success. He stated the Department has relaxed penalties related to driver license renewals. He also reported that the Port, which is critical to the supply chain, has not experienced reduction in activity and volume of cargo is anticipated to increase in May.

Secretary Slater reported that the Department is working with 30 different types of businesses related to BWI Thurgood Marshall International Airport – from rental car companies, Transportation Security Administration (TSA), airlines and others and the relief on rent. He concluded by describing the partnership with hospitals to utilize park and ride lots to shuttle employees.

Agriculture Secretary Joe Bartenfelder reported on the work with Farmers Markets Managers to educate sellers and customers on the Center for Disease Control (CDC) recommended operational standards. He added that a collaboration with MDOT, the Department assisted increasing the weight limit of trucks so as not to disrupt the supply chain. Agriculture has also been engaged with the Department of Health relating to meatpacking and the allowance of the sale of loose eggs due to packing shortages. He stated that there has been outreach to veterinarians to seek ventilators and testing capabilities. He added the Maryland Best social media campaign is underway to encourage consumers to go directly to farmers for goods. He concluded by stating a Delmarva Peninsula Task Force has been organized to address poultry, wheat, produce and dairy standard operation procedures.

SDAT Director Michael Higgs reported on the new online filing portal launched to assist businesses to obtain good standing in order to qualify for COVID-19 funding. He stated the Department's transition to teleworking has been a heavy lift and challenging but may be more efficient in the long term. He stated that the Department is removing phone numbers for contact information and replacing with email addresses. He noted that there would be customer service implications as the Department moves to 100% paperless, no cash and kiosks.

DHCD Secretary Ken Holt commended the Subcabinet on its outstanding job in responding to the crisis. He stated that DHCD sees strong growth, \$5M-\$15M in applications for single-family mortgages due to the lower interest rates. He stated the multi-family housing inventory remains strong with 25 projects in the pipeline. However, he stated that there is concern in that multi-family housing is subject to forbearance and that one-third of renters are in State financed developments. Renters are choosing not to pay rent and that 10% of renters are seeking assistance. Secretary Holt stated that there are 60 loans under forbearance and that the payments would be added to the final months of the loan. Additionally, he stated that the Governor's Office of Rural Broadband Office housed in DHCD has been involved contracting with firms to improve conductivity of broadband to address distant learning.

Special Secretary Peters reported that the Appalachian Regional Commission (ARC) is repurposing loans and grants for more flexibility by applicants.

MDP Secretary McCord reminded the Subcabinet of the State Data Center and its capabilities as Agencies are seeking avenues to reach businesses. He stated the Maryland Historic Trust - Heritage Areas program is distributing grants to non-profits, following the MSAC grant model. He announced the new Census filing date of October 31st which will result in data not being available until July, 2021. He stated overall, 56% of Marylanders have filed and 19 counties are over the 50% threshold.

Special Secretary Jimmy Rhee emphasized the importance of each State Agency to improve the payment to contractors who are often small, minority women owned businesses.

MHEC Secretary Fielder reported the higher education institutions are under discussing the timing of recalling students following CDC standards. Looking toward the fall, he said some institutions will look to continue remote learning and that some students may choose not to return to campus. Institutions received \$225M in Federal funding.

Secretary Schulz recognized Frank Dickson of DHCD to give an update on Opportunity Zones. He stated the Internal Revenue Service (IRS) has announced a 180 day extension of the deadline to invest capital gains in a Qualified Fund to July 15 for taxpayers with a deadline between April 1 and July 15. He added that a groundbreaking occurred in an opportunity zone for a \$160M, 26-story apartment building in Silver Spring. \$70M in equity was raised for the project.

V. Subcabinet Workgroups

Workgroup reports were accepted by the Subcabinet. Upon review, if there are questions or comments, the Secretaries will contact the Workgroup Leads.

VI. Adjournment

There being no further discussion and upon motion duly made and seconded, the meeting was adjourned at 3:20 pm.